

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATE FITZPATRICK | ELIZABETH FONTAINE | JOHN B. LANGAN | JAMES M. MACHADO | ROBERT B. MCCARTHY

MEMORANDUM

TO: Worcester Regional Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2017
DATE: December 4, 2015

Required Fiscal Year 2017 Appropriation: **\$46,814,608**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2017 which commences July 1, 2016.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2017 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by KMS Actuaries as part of their January 1, 2014 actuarial valuation.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. The current schedule is/was due to be updated by Fiscal Year 2017.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

Attachments

cc: Regional Advisory Council
c/o Retirement Board



Worcester Regional Retirement Board

Projected Appropriations

Fiscal Year 2017 - July 1, 2016 to June 30, 2017

Aggregate amount of appropriation: **\$46,814,608**

| Fiscal Year | Estimated Cost of Benefits | Funding Schedule (Excluding ERI) | ERI | Total Appropriation | Pension Fund Allocation | Pension Reserve Fund Allocation | Transfer From PRF to PF |
|----------------|----------------------------|----------------------------------|-------------|---------------------|-------------------------|---------------------------------|-------------------------|
| FY 2017 | \$60,074,873 | \$45,228,141 | \$1,586,467 | \$46,814,608 | \$46,814,608 | \$0 | \$13,260,265 |
| FY 2018 | \$63,636,986 | \$48,902,180 | \$1,657,596 | \$50,559,776 | \$50,559,776 | \$0 | \$13,077,210 |
| FY 2019 | \$67,427,319 | \$52,872,631 | \$1,731,927 | \$54,604,558 | \$54,604,558 | \$0 | \$12,822,761 |
| FY 2020 | \$71,460,493 | \$57,163,320 | \$1,809,602 | \$58,972,922 | \$58,972,922 | \$0 | \$12,487,571 |
| FY 2021 | \$75,752,066 | \$61,799,982 | \$1,890,773 | \$63,690,755 | \$63,690,755 | \$0 | \$12,061,311 |

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

SECTION 9 ADDENDUM - MEMBER UNIT FY2017 APPROPRIATION

| Unit | Unit Name | Normal Cost | UAL | FYE2017 Appropriation | | | | Total | FYE2016 | Increase over | Payment on |
|------|---------------------------------|-------------|-----------|-----------------------|----------|----------|--|-----------|---------------|---------------|------------|
| | | | | 2002 ERI | 2003 ERI | 2010 ERI | | | Appropriation | FYE 2016 | 7/1/2016 |
| 010 | Ashburnham | 128,663 | 458,657 | 28,506 | - | - | | 615,826 | 570,879 | 7.87% | 604,202 |
| 020 | Ashburnham-Westminster Regional | 114,901 | 388,987 | - | - | - | | 503,888 | 467,381 | 7.81% | 494,377 |
| 030 | Auburn | 429,997 | 1,780,070 | 157,017 | 24,363 | - | | 2,391,447 | 2,217,039 | 7.87% | 2,346,309 |
| 040 | Auburn Housing Authority | 7,432 | 43,445 | - | - | - | | 50,877 | 46,736 | 8.86% | 49,917 |
| 050 | Auburn Water District | 9,042 | 72,397 | 4,673 | - | - | | 86,112 | 79,419 | 8.43% | 84,487 |
| 060 | Barre | 31,027 | 211,792 | 5,141 | 2,056 | - | | 250,016 | 230,731 | 8.36% | 245,297 |
| 070 | Barre Housing Authority | 692 | 11,606 | - | - | - | | 12,298 | 11,284 | 8.99% | 12,066 |
| 080 | Berlin | 84,324 | 295,013 | - | - | - | | 379,337 | 350,464 | 8.24% | 372,177 |
| 090 | Berlin-Boylston Regional | 23,220 | 80,500 | - | - | - | | 103,720 | 96,064 | 7.97% | 101,762 |
| 100 | Blackstone | 111,400 | 484,593 | - | - | - | | 595,993 | 550,448 | 8.27% | 584,744 |
| 105 | Blackstone Housing Authority | (168) | 14,475 | - | - | - | | 14,307 | 13,021 | 9.88% | 14,037 |
| 110 | Blackstone-Millville Regional | 120,820 | 332,033 | - | - | - | | 452,853 | 420,503 | 7.69% | 444,306 |
| 120 | Bolton | 83,284 | 247,438 | 15,423 | - | - | | 346,145 | 322,427 | 7.36% | 339,612 |
| 130 | Boylston | 118,835 | 346,115 | 11,684 | - | - | | 476,634 | 442,902 | 7.62% | 467,638 |
| 135 | Boylston Water District | 20 | 7,849 | - | - | - | | 7,869 | 7,265 | 8.31% | 7,720 |
| 140 | Brookfield | 57,791 | 154,832 | 7,788 | - | - | | 220,411 | 205,040 | 7.50% | 216,251 |
| 150 | Charlton | 216,105 | 756,707 | 39,879 | - | - | | 1,012,691 | 938,377 | 7.92% | 993,577 |
| 160 | Cherry Valley-Rochdale Water | (1,701) | 41,866 | - | - | - | | 40,165 | 36,583 | 9.79% | 39,407 |
| 165 | Cherry Valley Sewer District | (1,511) | 1,511 | - | - | - | | - | - | 0.00% | - |
| 170 | Douglas | 201,504 | 601,216 | 11,214 | 10,756 | - | | 824,690 | 767,246 | 7.49% | 809,124 |
| 180 | Dudley | 98,443 | 522,365 | 119,165 | 7,119 | - | | 747,092 | 692,598 | 7.87% | 732,991 |
| 190 | Dudley Housing Authority | 5,037 | 17,241 | - | - | - | | 22,278 | 20,513 | 8.60% | 21,858 |
| 200 | Dudley-Charlton Regional | 154,168 | 611,492 | 36,605 | 15,977 | - | | 818,242 | 758,903 | 7.82% | 802,798 |
| 210 | East Brookfield | 25,519 | 73,524 | - | - | - | | 99,043 | 91,999 | 7.66% | 97,174 |
| 220 | Grafton | 297,001 | 1,125,350 | 35,982 | 15,502 | - | | 1,473,835 | 1,366,131 | 7.88% | 1,446,017 |
| 230 | Grafton Housing Authority | 18,193 | 27,702 | - | - | - | | 45,895 | 42,894 | 7.00% | 45,029 |
| 240 | Hardwick | 26,074 | 155,174 | 11,840 | - | - | | 193,088 | 177,843 | 8.57% | 189,444 |
| 250 | Harvard | 170,272 | 581,727 | - | - | - | | 751,999 | 696,096 | 8.03% | 737,805 |
| 260 | Hillcrest Water District | (18) | 8,530 | - | - | - | | 8,512 | 2,160 | 294.07% | 8,351 |
| 270 | Holden | 305,835 | 1,548,311 | 59,037 | - | - | | 1,913,183 | 1,763,843 | 8.47% | 1,877,072 |
| 280 | Holden Housing Authority | 10,361 | 16,218 | - | - | - | | 26,579 | 24,826 | 7.06% | 26,077 |
| 290 | Hopedale | 183,226 | 578,704 | - | - | - | | 761,930 | 706,851 | 7.79% | 747,549 |

Worcester Regional Retirement System
Actuarial Valuation as of January 1, 2014

SECTION 9 ADDENDUM - MEMBER UNIT FY2017 APPROPRIATION

| Unit | Unit Name | Normal Cost | UAL | FYE2017 Appropriation | | | Total | FYE2016 | Increase over | Payment on |
|------|------------------------------------|-------------|-----------|-----------------------|----------|----------|-----------|---------------|---------------|------------|
| | | | | 2002 ERI | 2003 ERI | 2010 ERI | | Appropriation | FYE 2016 | 7/1/2016 |
| 300 | Hopedale Housing Authority | - | 6,751 | - | - | - | 6,751 | 6,106 | 10.56% | 6,624 |
| 310 | Hubbardston | 75,899 | 124,708 | 9,346 | 3,954 | - | 213,907 | 200,440 | 6.72% | 209,870 |
| 320 | Lancaster | 86,363 | 410,987 | - | - | - | 497,350 | 458,594 | 8.45% | 487,963 |
| 325 | Lancaster Housing Authority | 1,297 | 7,175 | - | - | - | 8,472 | 7,742 | 9.43% | 8,312 |
| 330 | Leicester | 174,933 | 820,256 | 46,886 | 1,899 | - | 1,043,974 | 964,380 | 8.25% | 1,024,269 |
| 340 | Leicester Housing Authority | 6,136 | 29,461 | - | - | - | 35,597 | 32,803 | 8.52% | 34,925 |
| 350 | Leicester Water District | 1,418 | 45,746 | - | - | - | 47,164 | 48,664 | -3.08% | 46,274 |
| 360 | Lunenburg | 165,797 | 906,232 | - | - | - | 1,072,029 | 986,268 | 8.70% | 1,051,795 |
| 370 | Lunenburg Housing Authority | 3,262 | 440 | - | - | - | 3,702 | 3,622 | 2.21% | 3,632 |
| 380 | Lunenburg Water District | 388 | 46,634 | - | - | - | 47,022 | 43,108 | 9.08% | 46,134 |
| 390 | Mendon | 105,920 | 334,384 | 7,477 | 20,089 | - | 467,870 | 434,597 | 7.66% | 459,039 |
| 400 | Mendon-Upton Regional | 180,219 | 427,442 | 6,231 | 6,958 | - | 620,850 | 579,299 | 7.17% | 609,132 |
| 410 | Millbury | 215,741 | 1,199,987 | 127,263 | - | - | 1,542,991 | 1,424,980 | 8.28% | 1,513,867 |
| 420 | Millbury Housing Authority | 14,793 | 59,020 | - | 5,696 | - | 79,509 | 73,464 | 8.23% | 78,008 |
| 430 | Millville | 72,412 | 48,356 | - | - | - | 120,768 | 114,409 | 5.56% | 118,489 |
| 440 | Narragansett Regional | 71,353 | 250,952 | 21,964 | - | - | 344,269 | 319,516 | 7.75% | 337,771 |
| 450 | Nashoba Regional | 230,746 | 552,950 | - | - | - | 783,696 | 731,519 | 7.13% | 768,904 |
| 460 | New Braintree | 28,545 | 33,906 | - | - | - | 62,451 | 58,576 | 6.62% | 61,272 |
| 470 | Northboro | 202,366 | 1,442,606 | - | - | - | 1,644,972 | 1,513,873 | 8.66% | 1,613,924 |
| 480 | Northboro Housing Authority | 12,031 | 39,225 | - | - | - | 51,256 | 47,603 | 7.67% | 50,289 |
| 490 | Northboro-Southboro Regional | 70,351 | 211,832 | - | - | - | 282,183 | 262,333 | 7.57% | 276,857 |
| 500 | North Brookfield | 68,854 | 312,014 | - | 12,813 | - | 393,681 | 363,868 | 8.19% | 386,250 |
| 510 | North Brookfield Housing Authority | 200 | 15,052 | - | - | - | 15,252 | 13,868 | 9.98% | 14,964 |
| 530 | Oakham | 21,798 | 45,437 | - | - | - | 67,235 | 62,494 | 7.59% | 65,966 |
| 540 | Oxford | 338,392 | 1,311,909 | 121,656 | 13,762 | - | 1,785,719 | 1,655,568 | 7.86% | 1,752,014 |
| 550 | Oxford Housing Authority | 8,508 | 43,018 | - | - | - | 51,526 | 47,572 | 8.31% | 50,553 |
| 555 | Oxford-Rochdale Sewer District | (3,337) | 21,458 | - | - | - | 18,121 | 16,377 | 10.65% | 17,779 |
| 560 | Paxton | 102,566 | 388,029 | - | - | - | 490,595 | 453,650 | 8.14% | 481,335 |
| 570 | Petersham | 38,153 | 95,344 | - | 2,056 | - | 135,553 | 125,965 | 7.61% | 132,994 |
| 580 | Phillipston | 40,245 | 71,433 | - | - | - | 111,678 | 104,118 | 7.26% | 109,570 |
| 590 | Princeton | 25,243 | 299,960 | 7,477 | - | - | 332,680 | 305,494 | 8.90% | 326,401 |
| 600 | Quabbin Regional | 179,338 | 635,440 | 47,353 | 6,958 | - | 869,089 | 806,583 | 7.75% | 852,685 |

Worcester Regional Retirement System
Actuarial Valuation as of January 1, 2014

SECTION 9 ADDENDUM - MEMBER UNIT FY2017 APPROPRIATION

| Unit | Unit Name | Normal Cost | UAL | FYE2017 Appropriation | | | Total | FYE2016 | Increase over | Payment on |
|-------|----------------------------------|-------------|------------|-----------------------|----------|----------|------------|---------------|---------------|------------|
| | | | | 2002 ERI | 2003 ERI | 2010 ERI | | Appropriation | FYE 2016 | 7/1/2016 |
| 610 | Quaboag Regional | 64,543 | 206,669 | 27,414 | - | - | 298,626 | 278,023 | 7.41% | 292,990 |
| 620 | Royalston | 8,067 | 42,500 | - | - | - | 50,567 | 46,578 | 8.56% | 49,613 |
| 630 | Rutland | 103,736 | 330,772 | 5,610 | - | - | 440,118 | 408,087 | 7.85% | 431,811 |
| 640 | Southboro | 254,155 | 1,307,121 | - | - | - | 1,561,276 | 1,440,768 | 8.36% | 1,531,807 |
| 650 | Southboro Housing | 3,579 | 226 | 9,813 | - | - | 13,618 | 13,125 | 3.76% | 13,361 |
| 660 | Spencer | 150,531 | 557,130 | - | - | - | 707,661 | 654,209 | 8.17% | 694,304 |
| 670 | Spencer-East Brookfield Regional | 95,235 | 380,694 | 21,184 | 3,636 | - | 500,749 | 463,038 | 8.14% | 491,297 |
| 680 | Spencer Housing Authority | 3,731 | 33,048 | - | - | - | 36,779 | 33,862 | 8.61% | 36,085 |
| 690 | Sterling | 184,498 | 608,880 | - | 12,496 | - | 805,874 | 746,600 | 7.94% | 790,663 |
| 700 | Sterling Housing Authority | 2,924 | 4,583 | - | - | - | 7,507 | 7,022 | 6.91% | 7,365 |
| 710 | Sturbridge | 264,162 | 758,845 | - | 56,950 | - | 1,079,957 | 1,004,119 | 7.55% | 1,059,573 |
| 720 | Sutton | 177,377 | 757,029 | - | - | - | 934,406 | 864,206 | 8.12% | 916,769 |
| 730 | Tantasqua Regional | 151,995 | 399,640 | - | - | - | 551,635 | 513,354 | 7.46% | 541,223 |
| 740 | Templeton | 111,263 | 545,925 | 19,160 | - | - | 676,348 | 624,341 | 8.33% | 663,582 |
| 750 | Templeton Housing Authority | 2,837 | 14,468 | 19,002 | - | - | 36,307 | 34,130 | 6.38% | 35,622 |
| 760 | Upton | 59,811 | 398,829 | - | - | - | 458,640 | 423,003 | 8.42% | 449,983 |
| 770 | Uxbridge | 235,210 | 1,251,296 | 66,046 | - | - | 1,552,552 | 1,432,618 | 8.37% | 1,523,248 |
| 780 | Uxbridge Housing Authority | 10,940 | 41,277 | - | - | - | 52,217 | 48,135 | 8.48% | 51,231 |
| 790 | Wachusett Regional | 460,744 | 941,795 | 50,625 | - | - | 1,453,164 | 1,359,653 | 6.88% | 1,425,736 |
| 800 | Warren | 56,768 | 181,384 | 47,042 | - | 5,810 | 291,004 | 271,578 | 7.15% | 285,511 |
| 810 | Warren Water District | 4,052 | 7,794 | - | - | - | 11,846 | 11,072 | 6.99% | 11,622 |
| 820 | Westboro | 570,094 | 2,720,789 | - | 31,637 | - | 3,322,520 | 3,065,870 | 8.37% | 3,259,807 |
| 825 | Westboro Housing Authority | 4,092 | 21,301 | 4,516 | - | - | 29,909 | 27,685 | 8.03% | 29,344 |
| 830 | West Boylston | 237,691 | 727,490 | 53,587 | - | - | 1,018,768 | 946,084 | 7.68% | 999,539 |
| 835 | West Boylston Housing Authority | 492 | 9,826 | - | - | - | 10,318 | 9,402 | 9.74% | 10,123 |
| 840 | West Boylston Water District | 3,378 | 41,820 | - | - | - | 45,198 | 41,437 | 9.08% | 44,345 |
| 850 | West Brookfield | 80,838 | 149,108 | - | - | - | 229,946 | 214,718 | 7.09% | 225,606 |
| 860 | Westminster | 132,712 | 583,189 | - | 4,429 | - | 720,330 | 664,632 | 8.38% | 706,734 |
| 870 | Winchendon | 242,022 | 1,051,453 | 53,740 | - | - | 1,347,215 | 1,244,422 | 8.26% | 1,321,787 |
| 880 | Winchendon Housing Authority | 10,866 | 59,614 | 4,205 | - | - | 74,685 | 69,168 | 7.98% | 73,275 |
| Total | | 9,258,061 | 35,970,079 | 1,321,551 | 259,106 | 5,810 | 46,814,607 | 43,346,858 | 8.00% | 45,930,992 |

Worcester Regional Retirement System
Actuarial Valuation as of January 1, 2014